



EXHIBIT A

SCOPE OF WORK

I. Overview:

Background:

The Authority is an agency of the State of Michigan, within the Michigan Strategic Fund. The Authority was created by statute in 1966, and has originated single family purchase-money mortgage loans throughout most of its existence. These loans are financed with the proceeds of tax-exempt mortgage revenue bonds; that is, bonds, the interest on which is exempt from taxes because the borrowers meet certain income and purchase-price restrictions. Because the Authority is able to pay a lower interest rate on the bonds, since that interest is not taxed, the savings is passed on to the mortgage borrowers in the form of lower interest rates. The Authority's portfolio presently consists of approximately 13,900 first mortgage loans. These loans are originated in the names of various participating lenders. Once the Authority has reviewed the loans, the Authority purchases them from the lenders and servicing is released. In addition, the Authority also holds many non-interest-bearing, non-amortizing down payment assistance loans ("DPA loans") associated with the first mortgage loans. None of the Authority's loans are adjustable rate mortgages, but the Authority does hold certain "step loans," for which the interest rate increases one time, one percent after 36 months. The Authority also has entered into a number of "HELP Loans" which are also non-interest-bearing, non-amortizing loans, given to borrowers who were in danger of foreclosure. At this time, all of these loans are being sub-serviced by US Bank, N.A. ("USB"). Because of State requirements, the contract for sub-servicing the Authority's loan portfolio is being bid out. USB is eligible to submit a proposal for this contract. The Authority expects to award one or more contracts for the sub-servicing of its loans. If more than one contract is awarded, the Authority may divide the Authority's existing loan portfolio among the selected contractors.

Brief description of services to be performed:

The Contractor will be responsible for setting up new loans, and collecting payments for new and existing loans, applying those payments appropriately and reporting to the Authority.

The Contractor should offer a remote inquiry system with secure access to request reports via the Internet by accessing a virtual private network and by using standard FTP protocol. The Authority will then be able to download files, such as reports, or send the Contractor files such as new loan interface files. The transmission of data over the Internet should be very secure through the use of 168-bit encryption. The Contractor needs to offer easy and quick connectivity. The Contractor must provide the Authority with the ability to assign user names and passwords to the appropriate staff for access to transaction data, screens, reports and files.

The Contractor must provide user documentation, user training, training material and telephone assistance. The user documentation must be designed for easy access to the Contractor's remote inquiry system on any personal computer in the Authority's facility.

II. Objectives, Tasks & Activities, and Deadlines:**A. Activities/Responsibilities Necessary to Complete Scope of Work.**

All of the services listed below are to be provided by the Contractor. These services are described in detail in the attached Authority's Single Family Mortgage Servicing Manual. All services must be performed according to applicable guidelines, mandates, or other requirements as promulgated by FHA, VA, RD, or private mortgage insurers, and pursuant to applicable laws and regulations.

- Set up new loans received from lenders with the correct:
 - Next payment due date
 - Principal balance
 - Maturity date
 - Interest rate
 - Interest rate change date, if applicable
 - DPA loan balance, if applicable
 - Escrow balance
 - Bond series

- Accept payments from the mortgagors and properly apply them to the correct categories of principal and interest, and tax and insurance escrows.
- Supply the mortgagors with a monthly statement including any additional inserts the Authority may provide.
- Provide the Authority with separate daily remittance reports for regular payments and payoffs by bond series in an Excel format.
- Provide the Authority with separate month-end reports by bond series in Excel format: remittance reports, paid-in-full reports for first mortgages, DPA loans and HELP loans, prepayments, curtailments, delinquencies, payment and curtailment reversals, trial balances and cutoff file.
- Provide the Authority with monthly electronic reports of name changes for any mortgagor, changes in ownership and approved lease agreements, with required documentation.
- Retain electronic versions of month end reports for a period of 2 years.
- Remit funds daily to the Authority within two business days of when funds were collected.
- Using each borrower's escrow funds, pay real estate taxes before they become delinquent, ensure that the residence securing the mortgage loan is continuously insured against fire and other casualty losses, and maintain private mortgage insurance or other mortgage insurance or guarantees, pursuant to the Authority's requirements. In the event the escrow funds are insufficient for such purposes, the contractor shall advance the necessary funds and request reimbursement from the Authority.
- Ensure that the property does not become subject to any liens arising from non-payment of water or other bills.
- Prepare Form 1098 and Form 1099 tax reports, as applicable.
- Include and sequence all reports by MSHDA loan number.
- Be knowledgeable concerning the Authority's various types of DPA and HELP loans.

- Provide complete, accurate payoff statements, including DPA and/or HELP loan(s) in separate, defined line items.
- Send discharges of mortgages for recording in compliance with Michigan laws.
- Process assumptions.
- Provide courteous customer service by qualified, knowledgeable staff, accessible by a toll-free number.
- Process PMI cancellations and send the Authority notification.
- Monitor collections and loss mitigation.
- Take proper steps to monitor and control delinquencies.
- Process bankruptcies.
- Process any litigation arising from the Authority's mortgage loans in consultation and cooperation with the Michigan's Office of Attorney General.
- Process deeds in lieu of foreclosures, redemptions, pre-foreclosure short sales, third party sales, and loan modifications.
- Process mortgage loans through foreclosure including:
 - Handle property inspections, maintenance and waste prevention, as necessary.
 - Ensure that all insurances are maintained on each account.
 - Ensure that real estate taxes and any electric/water/sewer municipal charges are maintained on a current basis for each account.
 - Monitor through conveyance or REO administration of property.
- Process/monitor insurance claims through the settlement of claim.
- Provide new loan set-up guide and conduct periodic training regarding new loan set-up for lenders.

- Retain files relating to paid-off loans pursuant to Authority requirements.

B. Deadlines for Completing Objectives.

Orientation Meeting:

1. On or about October 3, 2011, the successful Contractor(s) will be required to schedule and attend orientation/training meeting(s) to discuss the content and procedures of the contract. The Authority and Contractor(s) will also discuss and develop a timeline and procedures for the conversion, including the appropriate testing of data, of the single-family loan portfolio.
2. The meeting(s) will be held in Lansing, Michigan at a date and time mutually acceptable to the Authority and the Contractor(s).
3. The Authority shall bear no cost for the time and travel of the Contractor's attendance at the meetings.

Performance Review Meetings:

1. During the implementation stage, the Authority and Contractor(s) will schedule and hold weekly status conference calls to discuss conversion issues, new loan set-up matters and other servicing related issues. The Authority will determine the frequency of the conference calls after the implementation stage.
2. In the event conversion issues, new loan set-up procedures and/or other servicing related issues cannot be resolved during the conference calls, the Authority will require the Contractor(s) to attend meeting(s), as needed, to review the Contractor(s) performance under the contract.
3. The meeting(s) will be held in Lansing, Michigan at a date and time mutually acceptable to the Authority and the Contractor(s).
4. The Authority shall bear no cost for the time and travel of the Contractor's attendance at the meetings.

III. Roles and Responsibilities of the Authority's Single Family Mortgage Servicing Unit:

- Execute Discharges of Mortgages for paid-in-full loans and forward to the Contractor to send to the Register of Deeds for recording.
- Send the Contractor a monthly billing for each bond series.
- Reconcile the Contractor's reports to the Contractor's remittances and the Authority's Single Family Mortgage Servicing system.
- Advise the Contractor when the Authority finds an error in a new loan setup, i.e. interest rate, P&I constant, principal balance, etc.
- Advise the Contractor when the Authority finds an error in a loan due to an incorrect step loan change or a transaction incorrectly applied to a loan.
- Handle requests from a borrower or borrower's representative during the sale of a property regarding forgiveness or partial forgiveness of a DPA loan, and notify the Contractor in writing of the revised payoff amount of the DPA loan.
- Receive notification and documentation regarding record changes and ownership transfers from the Contractor and enter those changes into the Authority's Single Family Mortgage Servicing system.
- Receive notification of request to lease from borrower and approval by Mortgage insurer, and acknowledge the Authority's receipt and concurrence to allow the lease.

As it pertains to the Foreclosure Process:

- Review and acknowledge foreclosure requests.
- Provide the Contractor with copies of documents (recorded Mortgage, Note, recorded Assignment of Mortgage, Title Insurance Policy and Mortgage Insurance Certificate) to start foreclosure.
- Review and acknowledge marketing packages.
- Review and approve list price reductions.

- Review and execute sale contracts and closing documents.
- Receive claim payments and/or sales proceeds and notify the Contractor of such.
- Review and approve the Contractor's billings to the Authority.
- Notify the Contractor when the file can be closed.

As it pertains to Deeds-in-Lieu of Foreclosure:

- Review the request for a deed-in-lieu of foreclosure.
- If the request is denied, provide the Contractor with the reason for the denial.
- If the request is approved, send an acceptance letter, execute the Discharge of Mortgage(s) and submit to the Contractor.

As it pertains to Short Sales:

- Review the request for a short sale.
- If the request is denied, provide the Contractor with the reason for the denial.
- If the request is approved, send an acceptance letter.

As it pertains to the Loan Modification Process:

- Verify the accuracy of mortgagor's data reported on the Loss Mitigation Worksheet Proposal and the Loan Modification Transmittal Worksheet. Notify the contractor to correct any errors and re-submit for review.
- Review package submitted to ensure all appropriate documents are included.
- Review the hardship letter for justifiable reasons for granting the loan modification.
- Approve the loan modification request and submit the approval to the Contractor.

- Monitor the status of signed loan modification agreement and contact the Contractor if the signed loan modification agreement is not returned in a timely manner.
- Verify the data reported on the Signed Loan Modification Agreement, the Loan Modification Worksheet and the Disclosure of Terms and Conditions of Modification to the terms approved. Notify the Contractor if any discrepancy is noted.
- Sign the formal loan modification agreement, notarize and return a copy to the Contractor. If a loan modification agreement needs to be recorded, return the original to the Contractor.

As it pertains to the Contractor's monthly billing:

- Verify the completeness and mathematical accuracy of the monthly billings.
- Compare the amounts billed to the terms, conditions and fees specified in the contract.
- Ensure that the appropriate supporting documentation is attached to the billing.
- Contact the Contractor regarding any discrepancies noted and/or incomplete information.
- Notify the Deputy Director of Finance of the balance due to or due from the Contractor.